
By: **Delegates Goldwater and Hammen**

Introduced and read first time: January 19, 2004

Assigned to: Health and Government Operations

A BILL ENTITLED

1 AN ACT concerning

2 **Health Insurance - Medicare Supplement Policies - Individuals Transferred**
3 **to the Maryland Health Insurance Plan**

4 FOR the purpose of requiring certain health insurance carriers to issue a Medicare
5 supplement policy to certain individuals who transferred from a substantial,
6 available, and affordable coverage plan to the Maryland Health Insurance Plan
7 on a certain date and apply for a policy on or before a certain date; prohibiting a
8 carrier that issues a Medicare supplement policy from excluding or limiting
9 benefits for certain losses because the losses involved a preexisting condition;
10 requiring the Maryland Insurance Administration to issue notice of certain
11 requirements to certain carriers; requiring the Maryland Health Insurance Plan
12 to issue notice of the availability of Medicare supplement coverage to certain
13 individuals; making this Act an emergency measure; providing for the
14 termination of this Act; and generally relating to Medicare supplement policies
15 for individuals transferred from a substantial, available, and affordable
16 coverage plan to the Maryland Health Insurance Plan.

17 BY repealing and reenacting, without amendments,
18 Article - Insurance
19 Section 15-901(a), (c), and (k)
20 Annotated Code of Maryland
21 (2002 Replacement Volume and 2003 Supplement)

22 BY adding to
23 Article - Insurance
24 Section 15-929
25 Annotated Code of Maryland
26 (2002 Replacement Volume and 2003 Supplement)

27 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
28 MARYLAND, That the Laws of Maryland read as follows:

1

Article - Insurance

2 15-901.

3 (a) In this subtitle the following words have the meanings indicated.

4 (c) "Carrier" means an insurer, nonprofit health service plan, or fraternal
5 benefit society that is authorized to issue health insurance policies under this article.6 (k) (1) "Medicare supplement policy" or "Medigap policy" means an
7 individual or group policy of health insurance or subscriber contract that is
8 advertised, marketed, or designed primarily as a supplement to reimbursements
9 under Medicare for the hospital, medical, or surgical expenses of individuals eligible
10 for Medicare.

11 (2) "Medicare supplement policy" or "Medigap policy" does not include:

12 (i) a policy that is issued pursuant to a contract under § 1876 of the
13 federal Social Security Act, 42 U.S.C. § 1395(mm); or14 (ii) a policy that is issued under a demonstration project authorized
15 pursuant to amendments to the federal Social Security Act.

16 15-929.

17 (A) A CARRIER THAT ISSUES MEDICARE SUPPLEMENT POLICIES SHALL ISSUE
18 ANY MEDICARE SUPPLEMENT POLICY THE CARRIER SELLS IN THE STATE TO AN
19 INDIVIDUAL ELIGIBLE FOR MEDICARE IF THE INDIVIDUAL:20 (1) TRANSFERRED FROM A SUBSTANTIAL, AVAILABLE, AND
21 AFFORDABLE COVERAGE PLAN TO THE MARYLAND HEALTH INSURANCE PLAN ON
22 JULY 1, 2003; AND23 (2) APPLIES FOR THE MEDICARE SUPPLEMENT POLICY ON OR BEFORE
24 JULY 1, 2004.25 (B) A CARRIER THAT ISSUES A MEDICARE SUPPLEMENT POLICY UNDER
26 SUBSECTION (A) OF THIS SECTION MAY NOT EXCLUDE OR LIMIT BENEFITS FOR
27 LOSSES INCURRED AFTER THE EFFECTIVE DATE OF COVERAGE BECAUSE THE
28 LOSSES INVOLVED A PREEXISTING CONDITION.29 (C) THE ADMINISTRATION SHALL ISSUE NOTICE OF THE REQUIREMENTS OF
30 THIS SECTION TO EACH AFFECTED CARRIER IN THE STATE.31 (D) THE MARYLAND HEALTH INSURANCE PLAN SHALL ISSUE NOTICE OF THE
32 AVAILABILITY OF MEDICARE SUPPLEMENT COVERAGE UNDER THIS SECTION TO
33 EACH INDIVIDUAL ENROLLED IN THE MARYLAND HEALTH INSURANCE PLAN WHO
34 MEETS THE REQUIREMENTS OF SUBSECTION (A)(1) OF THIS SECTION.35 SECTION 2. AND BE IT FURTHER ENACTED, That this Act is an emergency
36 measure, is necessary for the immediate preservation of the public health or safety,

1 has been passed by a yea and nay vote supported by three-fifths of all the members
2 elected to each of the two Houses of the General Assembly, and shall take effect from
3 the date it is enacted. It shall remain effective through 2005, and, at the end of 2005,
4 with no further action required by the General Assembly, this Act shall be abrogated
5 and of no further force and effect.